

MEMO Published May 13, 2025 • 4 minute read

Trump ACA Rule Spells Disaster for American Families



Darbin Wofford, Deputy Director of Health Care, Blair Elliott, Health Policy Advisor

The health care fights in reconciliation could be expanding. Medicaid cuts are rightfully taking top billing, but President Trump and Congressional Republicans are also making other moves to gut Americans' health care.

The Trump Administration recently proposed new regulations that would dramatically limit access to Affordable Care Act (ACA) Marketplace coverage. Their proposed "Marketplace Integrity and Affordability Rule" would harm access to premium tax credits, raise premiums, and increase the number of uninsured Americans. **Congressional Republicans may try to sneak the rule's provisions into their budget reconciliation bill, permanently codifying its damaging policies.** That would be horrible. Below, we outline what's in the rule, who it will hurt most, and why it would increase costs for American families.

What is in the Trump Rule?

This March, the Trump Administration proposed their “Marketplace Integrity and Affordability Proposed Rule” to drastically upend the Affordable Care Act exchanges and premium tax credits for people to purchase health insurance. Here are the key provisions:

First, the Trump rule would increase premiums and out-of-pocket costs for patients. In a series of “technical” adjustments to payment formulas, the amount people pay for premiums and out-of-pocket costs will increase by 4.5%. This means 20 million people who receive premium tax credits will pay hundreds of dollars more for coverage. The Administration projects 80,000 people will drop out of the marketplace due to these higher costs, leaving them without protection.

Second, the Trump rule would limit sign-ups for coverage by reducing enrollment periods. The current “open enrollment period” for people to sign up for coverage takes place between November 1 and January 15 each year. The Trump rule cuts that nearly in half, limiting the window for people to sign up for coverage.

Additionally, low-income individuals making up to 150% of the federal poverty level may currently get coverage under a “special enrollment period,” which allows them to sign up for coverage throughout the year. The Trump rule would get rid of this flexibility, making coverage much more difficult for 9.5 million low-income Americans—and 40% of Marketplace enrollees—who often see their personal circumstances fluctuate month-to-month.

Third, the Trump rule would create bureaucratic nightmares for people trying to get and keep coverage. In a bid to increase “program integrity,” this rule:

- Tightens the income eligibility process which would create hurdles to coverage,
- Reduces the length of time to resolve income inconsistencies between what applicants initially project and where their income ends up,
- Shuts down automatic upgrades from a Bronze plan to a Silver plan, and
- Denies coverage for people who accidentally underpay their premiums.

Raising People’s Health Care Costs

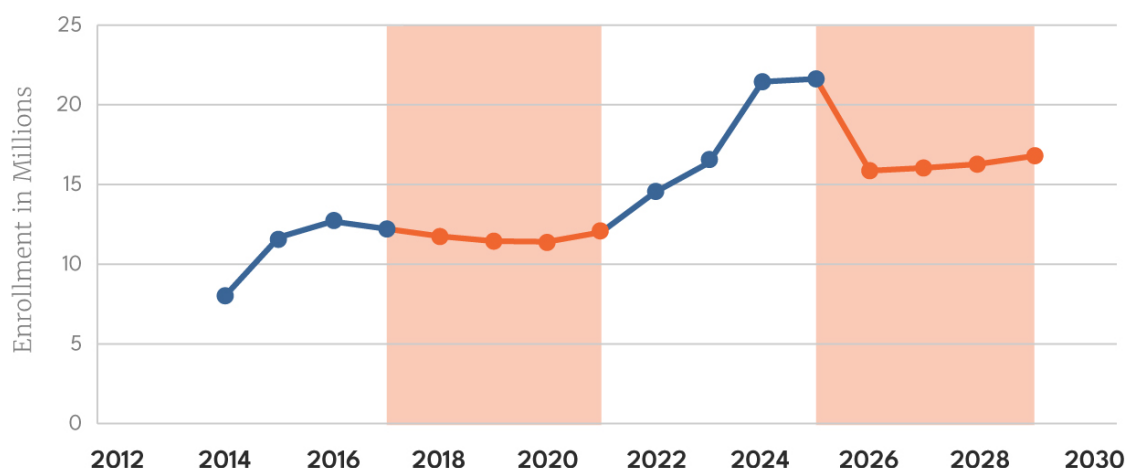
The first Trump Administration pursued similar policies that made it harder for people to enroll in ACA Marketplace coverage. The result was a steady decline in enrollment and more Americans without coverage.

In contrast, the Biden Administration made enrollment easier and more affordable for consumers, which more than doubled ACA Marketplace enrollment and contributed to the lowest rate of uninsured Americans ever. Now, more than 24 million Americans rely on coverage through the Marketplace.



The Trump Slump

Trump Administration Policies are Set to Crash ACA Enrollment



Note: Averages for future years are the average of low- and high-end enrollment projections. These projections assume expiration of enhanced subsidies.

Source: "Marketplace Enrollment, 2014-2024." KFF.

<https://www.kff.org/affordable-care-act/state-indicator/marketplace-enrollment/?activeTab=graph¤tTimeframe=0&startTimeframe=10&selectedRows=%7B%22wrapups%22:%7B%22united-states%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>. Accessed 7 May 2025 and "Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability." Department of Health and Human Services.

<https://www.federalregister.gov/documents/2025/03/19/2025-04083/patient-protection-and-affordable-care-act-marketplace-integrity-and-affordability>. Accessed 7 May 2025.

Overall, the Trump Rule would reverse this progress, leading to:

- **Higher premiums** for millions of families, especially older adults not yet eligible for Medicare.
- **Fewer young and healthier people enrolling** in coverage due to increasing costs and a more difficult enrollment process, worsening the overall risk pool and driving up costs for everyone.
- **Loss of coverage** for those who miss paperwork deadlines or can't predict their income with precision—despite trying to do everything right.
- **Worsened health outcomes** for the up to 2 million people projected to unenroll from Marketplace coverage due to increased costs and difficulty enrolling in and maintaining coverage.
- **More uncompensated care** for hospitals and clinics, raising costs across the health care system.

- **Increased medical debt** for families who become uninsured.

Ironically, the rule would hit Trump's own voters the hardest. States like Texas, Florida, and Georgia—which rely heavily on the federal ACA Marketplace—would see massive disruptions. In fact, 88% of new Marketplace enrollment since 2020 has come from states that Trump won in 2024. Many rural and Southern residents depend on ACA subsidies and would lose them under new restrictions. Meanwhile, Republican states already have higher uninsured rates, meaning this rule would widen health inequities, not reduce them.

The Bottom Line

The Trump Administration's proposed rule would raise health care costs for millions, push people off coverage, and hurt working families—especially those in red states. This rule, along with Republican efforts to gut Medicaid, are doing nothing to lower health care costs for Americans. Instead, they represent a full-frontal Republican attack on health care.